

9/11/78

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

11 SEP 1978

MEMORANDUM TO: THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*

SUBJECT: Report on Planning Estimates

For your information, we are providing periodical summary reports of 1980-1982 budget estimates prior to the fall budget review beginning in October. This first report examines the kinds of changes that could result from appropriation action and other congressional legislation undergoing review and provides an indication of the restraint necessary to meet the fiscal goals you established in the spring for the 1980 Budget. Of course, we are working with the Congress and the agencies to try to achieve the needed restraint.

The following table compares the deficit established for the spring agency planning ceilings with a potential deficit level. The potential deficit level represents the starting point from which reductions would be required in the fall review if threatened Congressional changes materialize prior to the development of the 1980 budget. Any agency plans to submit funding requests in the fall that exceed planning targets are not yet known and are, therefore, excluded from the amounts shown in this report.

	Surplus or deficit (-) (in billions of dollars)		
	<u>1980</u>	<u>1981</u>	<u>1982</u>
Planning ceilings surplus or deficit (-).....	-35.3	-15.7	12.5
Amount current outlay estimates exceed planning ceilings ^{1/}	-11.9	-19.1	-24.2
Potential Congressional budget changes (net).....	-7.9	-4.7	-3.0
Potential deficit level....	-55.2	-39.5	-14.8
Minimum outlay cut or receipt increase needed to restore planning ceilings surplus or deficit.....	19.9	23.8	27.3

^{1/} Based on estimates released publicly on July 6 in the mid-session review, except that amounts are also included for satellite development and welfare reform proposals not released publicly but incorporated in planning estimates. Reductions to these estimates necessary to reach spring planning ceilings are now under development by agencies.

These potential levels are based on the following:

- No changes have been made in receipts estimates except for threatened congressional changes. Revised economic assumptions will affect the receipts estimates. A new assessment of the economic outlook is expected to be completed in two weeks. At this time we cannot guess whether receipts totals will be increased or decreased.
- We have assumed adoption of tax proposals that will reduce taxes in approximately the same magnitude that you proposed, but not necessarily the same composition.
- For this report, we have made no assumption concerning our ability to minimize or delete Congressional add-ons that have not already occurred. With your help, we expect that the administration will be successful in reducing the threatened increases significantly.
- The potential figures assume that Congress will not act on the welfare reform proposals made this year. However, we have included an allowance for an alternative welfare reform initiative that you approved for inclusion in planning ceiling guidance.
- Similarly, we have included amounts for satellite development you agreed should be incorporated in the NASA planning ceiling.
- We have also assumed rejection of the fuel efficiency and crude oil tax and rebate proposals. This has a neutral effect on the budget, with offsetting changes in receipts and outlays.

The attachments to this memorandum include tables based on these assumptions:

- a summary of outlays, receipts, and the deficit (Tab 1);
- a summary of major congressional changes by type of action (Tab 2);
and
- a comparison of outlay planning ceilings with the potential level by agency (Tab 3).

Over the next few months, we will provide you with updated versions of this report to alert you to other potential changes to the 1979 budget.

Attachments

CURRENT BUDGET ESTIMATES

(In billions of dollars)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>Planning ceilings 1/</u>			
Receipts.....	502.5	560.0	627.2
Outlays.....	537.8	575.7	614.7
Surplus or deficit (-).....	(-35.3)	(-15.7)	(12.5)
Amount current outlay estimates exceed planning ceilings.....	11.9	19.1	24.2
Threatened congressional changes:			
Receipts (Rejection of crude oil and fuel efficiency tax).....	-2.5	-3.0	-3.1
Outlays.....	5.4	1.7	-.1
<u>Potential level</u>			
Receipts.....	500.0	557.0	624.1
Outlays.....	555.2	596.5	638.9
Deficit (-).....	-55.2	-39.5	-14.8

1/ Adjusted to reflect treatment of the earned income credit payment as an outlay rather than a receipt. This change adds approximately \$-.8 billion to receipts and outlays in all years, but does not affect the deficit.

- A summary of receipts, outlays, and the deficit.

- A summary of major congressional changes.

- A summary of major changes in receipts and outlays.

MAJOR POTENTIAL CONGRESSIONAL CHANGES

(in millions of dollars)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Potential changes from congressional action:			
1979 appropriation bills:			
Labor-HEW (House).....	537	621	638
Interior (House).....	438	368	313
Public Works (House).....	438	353	279
Transportation (enrolled).....	302	387	441
Agriculture (House).....	240	228	243
Other 1979 appropriation bills...	127	58	13
Total, appropriation bills....	2,082	2,015	1,927
Less across-the-board reductions in House appropriation bills.....	-756	-760	-760
Adjusted appropriation bills.	1,326	1,255	1,167
Discretionary authorization bills requiring appropriations action:			
Comprehensive rehabilitation services amendments (S. 2600/ H.R. 12467).....	546	802	961
Older Americans Act amendments (S. 2850/H.R. 12255).....	525	858	858
Work Incentives program increases (S. 2779).....	700	700	700
Education authorization increases (H.R. 15).....	276	325	337
Other discretionary authorizations.....	403	514	561
Total, discretionary authorization bills.....	2,450	3,199	3,417
Mandatory/backdoor authorization bills:			
Highway/mass transit authorization (H.R. 11733/ S. 2440).....	800	1,150	1,400
Veterans pension reform (H.R. 10173).....	651	802	933
Social services amendments (H.R. 12973).....	300	600	600
Fiscal relief to states (H.R. 7200).....	606	—	—
Other mandatory authorization bills.....	1,032	1,261	1,379
Total, mandatory authorization bills.....	3,389	3,813	4,312

MAJOR POTENTIAL CONGRESSIONAL CHANGES

(in millions of dollars)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Potential changes from congressional action:			
Inaction on Administration proposals:			
Reject welfare reform proposals..	-2,162	-8,248	-12,884
Reject fuel efficiency/crude oil rebates.....	-2,506	-2,967	-3,109
Reject taxable municipal bond option.....	-401	-829	-1,460
Reject wage-board pay reforms....	409	506	521
Reject social security (OASDI) legislation.....	823	1,234	1,567
Reject hospital cost containment legislation.....	1,785	3,488	5,753
Other inaction on Administration proposals.....	245	297	645
Total, inaction on Administration proposals...	<u>-1,807</u>	<u>-6,519</u>	<u>-8,967</u>
Total Congressional changes.....	5,358	1,748	-71

COMPARISON OF POTENTIAL CONGRESSIONAL ACTION ON
MID-SESSION ESTIMATES TO PLANNING CEILINGS FOR THE 1980 BUDGET
(outlays in millions of dollars)

Agency	1980			1981			1982		
	Potential Level	Planning Ceilings	Difference	Potential Level	Planning Ceilings	Difference	Potential Level	Planning Ceilings	Difference
Agriculture....	20,209	19,221	988	19,829	19,133	696	21,160	19,981	1,179
Commerce.....	4,580	5,146	-566 <u>1/</u>	3,885	3,829	56	3,849	3,780	69
Defense - Military.....	122,819	122,400	419	134,244	134,200	44	147,523	146,500	1,023
Corps of Engineers.....	2,976	2,706	270	2,993	2,888	105	2,878	2,861	17
Energy.....	11,849	10,671	1,178	9,335	7,819	1,516	8,333	7,421	912
Health, Education, and Welfare.....	207,819	197,818	10,001	228,775	214,025	14,750	250,451	230,828	19,623
Welfare reform.....	—	—	—	1,830	1,830	—	2,107	2,107	—
Housing and Urban Develop- ment.....	12,061	11,709	352	13,002	12,632	370	14,136	13,046	1,090
Interior.....	4,603	4,287	316	4,563	4,310	253	4,616	4,347	269
Justice.....	2,716	2,581	135	2,645	2,521	124	2,577	2,506	71
Labor.....	22,662	23,529	-867 <u>2/</u>	21,967	21,379	588	20,259	19,798	461
Welfare reform.....	385	385	—	1,379	1,379	—	4,188	4,188	—
State.....	1,578	1,539	39	1,658	1,610	48	1,744	1,698	46
Transportation.	18,485	16,275	2,210	19,524	17,540	1,984	20,328	18,650	1,678
Treasury.....	5,919	5,804 *	115	5,767	5,683	84	5,637	4,458 *	1,179
Interest on the public debt.....	62,200 <u>3/</u>	63,300	-1,100	66,000 <u>3/</u>	69,000	-3,000	65,800 <u>3/</u>	72,500	-6,700
Taxable municipal bond pro- posal.....	—	99 <u>4/</u>	-99	—	495 <u>4/</u>	-495	—	977 <u>4/</u>	-977
Welfare reform.....	—	—	—	—	—	—	1,128	1,128	—

COMPARISON OF POTENTIAL CONGRESSIONAL ACTION ON
MID-SESSION ESTIMATES TO PLANNING CEILINGS FOR THE 1980 BUDGET
(outlays in millions of dollars)

Agency	1980			1981			1982		
	Potential Level	Planning Ceilings	Difference	Potential Level	Planning Ceilings	Difference	Potential Level	Planning Ceilings	Difference
Environmental Protection Agency.....	5,451	5,422	29	6,152	6,108	44	5,852	5,918	-66
NASA.....	4,497	4,493	4	4,558	4,484	74	4,330	4,170	160
Veterans Administration	21,344	19,334	2,010	21,742	19,648	2,094	22,162	19,690	2,472
Civil Service Commission....	13,916	13,625	291	15,406	15,067	339	16,915	16,499	416
Foreign assistance....	4,469	3,769	700	4,585	3,858	727	4,832	3,812	1,020
All other.....	5,386	3,656	1,730	7,409	6,224	1,185	8,827	7,756	1,071
Across-the-board reductions in House appropriation bills.....	-756	—	-756	-760	—	-760	-760	—	-760
Total.....	555,168	537,769	17,399	596,488	575,662	20,826	638,872	614,619	24,253

- 1/ Spending of \$674 million assumed in 1980 planning ceiling estimates for the Local Public Works Program is now estimated to occur in 1979. This 1980 downward reestimate will not result in offsetting increases to Commerce Department programs.
- 2/ Mid-session estimates for the Department of Labor were reestimated downward by \$1.5 billion due to revised economic assumptions. This 1980 downward reestimate will not result in offsetting increases to Labor Department programs.
- 3/ Consistent with deficit and interest rate assumptions used for the mid-session public release.
- 4/ Planning ceilings include estimates for the taxable municipal bond option whereas potential level estimates assume nonenactment. If the taxable municipal bond option is not passed, no offsetting increases will result in Treasury Department programs.

THE WHITE HOUSE
WASHINGTON

September 11, 1978

Tim Kraft
Jim Gammill

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hucheson

PRESIDENT'S COUNCIL ON
PHYSICAL FITNESS AND SPORTS

ACTION
FYI

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON

September 7, 1978

C

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*
JIM GAMMILL *Jim G*

SUBJECT: The President's Council on
Physical Fitness and Sports

We have met with Jerry Apodaca and agreed upon a list of potential members for the President's Council on Physical Fitness and Sports.

We have chosen people because of their identification with different sports or fitness activities and for their ability to appeal to various constituencies throughout the country. Several on the list are truly national figures, such as Hank Aaron, Dinah Shore and Victor Borge. There is also a good geographic spread and an ethnic balance.

Hank Aaron (Atlanta, Georgia): Black. Former baseball star.

Billy Mills (Oakland, California): American Indian. Mills is a former Olympic track star, who has worked with the Council in the past.

Al McGuire (Milwaukee, Wisconsin): Former Head Basketball Coach at Marquette University, and currently Vice Chairman of the Board of Medalist Industries. The Vice President and Senator Nelson are interested in his appointment.

Leroy Walker, Ph.D. (Durham, North Carolina): Professor, North Carolina Central University. Black male, age 59. Dr. Walker was the Head Coach for the 1976 USA Olympic Track and Field Team. A top priority for Senator Morgan.

Anita De Frantz (Philadelphia, Pennsylvania): Attorney, The Juvenile Law Center. Black female, age 25. Member of the 1976 U.S. Olympic Team. Member, Board of Directors and Executive Board of the U.S. Olympic Committee. Has testified before the Senate hearings on legislation regarding the U.S. Olympic Committee. Recommended by Senator Bayh and Robert Kane, President of the U.S. Olympic Committee.

Claude Terry (Atlanta, Georgia): Outdoor enthusiast; former Professor at Emory University.

Roone Arledge (New York, New York): President of ABC News. Arledge, a current member of the Council, has been helpful in getting TV time for public service announcements.

Mary Jo Johnson (Phoenix, Arizona): Mrs. Johnson is a housewife who met with Governor Apodaca to present her ideas for programs for housewives. Although she has little political support or national reputation, Governor Apodaca was quite impressed with her and requests her appointment.

Joe Smith (Los Angeles, California): Chairman of the Board, Elektra/Asylum Records and a early campaign supporter. Sports commentator after graduation from Yale University. Smith fills the need for a top businessman on the Council.

Dinah Shore (Los Angeles, California): TV personality, who will be helpful in promoting the work of the Council.

Dorothy Hamill (Riverside, Connecticut): Former Olympic ice skater, currently with the Ice Capades. Recommended by Jerry Weintraub.

Victor Borge. Performer, who has promoted senior citizen fitness programs. Recommended by Claude Pepper.

- 3 -

Sammy Lee, M.D. (California): Oriental. Former Olympic swimmer. Currently serving on the Council.

James A. Nicholas, M.D. (New York, New York): Orthopedic surgeon; founder and Director of the Institute for Sports Medicine and Athletic Trauma at Lenox Hill Hospital. Served on the Fitness and Sports Task Force in the Carter-Mondale campaign. Governor Apodaca agrees with us that at least two medical doctors should serve as Members.

If any of the above people cannot serve, we are ready with three alternatives:

Nancy Lopez (Roswell, New Mexico): Hispanic. This year's leading woman golfer.

George Blanda (Oakland, California): Former football star, who played professionally well into his forties.

Deborah Mazzanti (San Diego, California): Founder and President of the Golden Door, a fitness resort. Very active in community affairs for recreation, child care, senior citizens. Highly recommended by Senator Cranston, Congresswoman Heckler, Congressman Van Deerlin and Burgener, and Bess Myerson.

RECOMMENDATION:

Approve the names of fourteen members and their alternates as listed above for the President's Council on Physical Fitness and Sports.

_____ ✓ _____ approve _____ disapprove



THE WHITE HOUSE
WASHINGTON

September 11, 1978

Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat

THE WHITE HOUSE
WASHINGTON

9/5/78

Mr. President:

Schultze has no comment. Congressional Liaison and Lipshutz concur.

Pettigrew concurs, but says he is "concerned that OMB carefully scrutinize agency 'success' claims that are certain to be advanced in the months ahead, and crack the whip when sluggish agencies are identified. I do not believe adequate staff capacity currently exists in OMB for it to effectively play this role."

Stu Eizenstat has nothing to add to his memo of September 2, which you have already seen (attached).

The attached memo predates your note to Jim McIntyre of September 4. OMB plans to supplement this status report with additional information in Jim McIntyre's weekly report.

Rick

ACTION
FYI

FOR STAFFING
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LINDER

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MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

D R A F T

OK
J

Dear Mr. Chairman:

Thank you for your letter of _____ regarding
the Commission's (Board's) voluntary efforts to achieve
the goals of Executive Order 12044, Improving Government
Regulations.

The improvements you have made are an important element
of our overall effort to meet this pressing national
need. Your action represents a good beginning toward
making regulations clearer and more effective and giving
the public a greater opportunity to participate in the
regulatory process.

To assist you in your efforts, I have asked Jim McIntyre
to provide more detailed comments on your proposals
for improving regulatory procedures. While efforts
to date have been promising, there is still much to
be done.

As you know, I consider regulatory reform to be one of
the highest priorities for Federal policy-makers. That
is because better government regulation will play a
key role in improving the quality of our government
in general. Such improvement is essential if the
Federal government is to retain the support of the
American people.

I look forward to working with you and Congress to make
regulations more effective and less burdensome for
the public.

Sincerely,

JIMMY CARTER

(NOTE: With your approval, OMB proposes to send this letter
to the 15 independent agencies which have reported
to you on their progress in implementing EO 12044.)

THE WHITE HOUSE
WASHINGTON

9/4/78

To Jim McIntyre

I want the executive order re regulatory reform carried out. This is an OMB responsibility.

Give me a status report when I return from Camp David.

I need a series of substantive "sunset" announcements. Work with Cabinet. Terry & Stu will help.

Jimmy

cc Terry, Stu

THE WHITE HOUSE
WASHINGTON

September 2, 1978

ADMINISTRATIVELY CONFIDENTIAL - DO NOT CIRCULATE

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Regulatory Reform Enforcement

Prior to writing this memo to you on a confidential basis, my staff and I have discussed the issue with Jim McIntyre and his staff numerous times over the past year.

The problem I see is a serious lack of resources devoted by OMB to oversight of agency compliance with the Executive Order on Improving Government Regulations which you signed March 23 of this year. At present, OMB appears to be devoting no more than the equivalent of one full-time employee to this project.

The Executive Order assigns OMB responsibility for supervising agency compliance. When you signed the Order, you wrote to Jim: "Devote top effort to enforcement. I will help you personally."

Strong OMB leadership, backed by adequate staff resources, is essential for making this Order the basis for an effective, high-visibility, on-going program, rather than a one-shot announcement. This need is especially great with respect to the most promising feature of the Order -- its requirement that agencies select out-dated regulations for sunset review. To assure that agencies select genuinely important regulations, and to assure that their reviews are handled in a manner which maximizes public credit for you, a substantial EOP supervisory effort is needed.

The importance of EOP supervision is illustrated by last year's regulatory sunset record, when our reliance was exclusively on the agencies to initiate their own programs. By far the most important announcement was OSHA's bold initiative to discard 1100 "nit-picking" safety regulations. This announcement came as a surprise to the White House;

with pre-planning and oversight, it would have been made with your direct involvement. Moreover, recent press reports disclosed that OSHA was on the verge of succumbing to labor union pressure to retain all but a comparative few of the regulations originally slated for elimination. After discussions between my staff and Ray Marshall's staff, the Labor Department reaffirmed its commitment to go through with the sunset program.

EOP oversight is needed. The new Executive Order provides a mandate for filling this need. But so far as we can determine, no significant effort has been made to evaluate the regulations chosen by the agencies when they published for public comment their proposed compliance plans on May 23, nor to begin mapping plans for a dramatic series of regulatory sunset announcements for the balance of 1978 and 1979. The OSHA announcement -- still not fulfilled -- is the only sunset step proposed. No one in the EOP complex or at OMB is pressing the agencies and departments to do more.

Failure to realize the potential of this program is unfortunate, because it could be a central feature of our general effort to demonstrate fulfillment of your commitment to discipline the bureaucracy. Jerry Rafshoon is commendably taking the lead in structuring plans for engineering a steady stream of government reform achievements. None of these hopes can be realized, however, without strong EOP leadership.

I recommend that you directly raise this with Jim McIntyre, ask him to put more resources on it, and to achieve some visible result, and to work with Jerry Rafshoon in insuring adequate publicity. The fact that one of the two positive press pieces attached to Jim's memorandum is a seven-month-old article is indicative of the absence of success with implementation of E.O. 12044.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

18 AUG 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. MCINTYRE *Jim*
SUBJECT: Executive Order 12044

This memorandum provides a status report on our progress in implementing Executive Order 12044, Improving Government Regulations.

Background

After you signed the Order on March 23, agencies were given 60 days to develop implementation plans. These plans were published in the Federal Register during the weeks of May 22-June 2. The public was given 60 days to comment. By September 15, agencies are to revise their plans, taking public comments into account, and submit them for OMB approval.

In addition, you asked the Chairmen of 18 independent regulatory agencies to voluntarily adopt similar procedures within their own agencies. You asked them to report progress to you and to the Congress by June 30, 1978.

Current Status

Forty departments and agencies have published their plans for complying with the Order in the Federal Register. Twenty-six other agencies have written OMB asking to be exempt from the Order. A list of these agencies and their reasons for seeking exemption were published for public comment. We will, of course, consider all comments received before approving any exemptions.

Of the independent agencies, fifteen have reported on their progress. The CAB and ICC seem to have taken the Order most seriously. A draft letter of acknowledgment is attached. Jim Fallows has edited the draft letter.

Highlights of Agency Actions

At the signing ceremony, you indicated that the Order outlined minimum requirements and encouraged agencies to go further in developing their own internal procedures. Several have responded to your challenge:

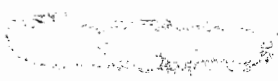
- HEW will assure the earliest possible public awareness of upcoming regulations by publishing a "notice of intent to regulate" for all agency regulations, not just significant ones.
- Agriculture will expand the regulatory analysis requirements of the Order by requiring an "impact analysis" of not only the economic effects of regulations but of the social effects as well. This should allow one analysis to satisfy requirements for thorough consideration of economic, environmental and other effects of USDA regulations.
- HUD will require an assessment of the effects of new regulations on the department's budget and personnel ceiling in addition to considering the effects on the private sector.
- The Department of Labor and Transportation have formed high-level internal review panels to review proposed regulations, to make recommendations to the Secretary and to coordinate the review of existing regulations.
- The Department of Energy and EPA have held public hearings on their plans for complying with the Order.
- EPA will initiate a "sunset" review for all new paper-work requirements imposed by their regulations.
- The Office of Federal Register is asking for public comment on how to improve the Register to make it an easier document for the public to use.
- Three agencies--HEW, DOT, and EPA--have already published regulatory agendas which give the public early notice of regulations under development or review.

In addition, several interest groups including the Business Roundtable have highlighted the Order to their members and have encouraged them to take advantage of the Order's new

opportunities for public participation. One group, the Transportation Association of America (TAA) held a special seminar on the Order to help their members understand the effect the Order would have on the transportation industry. In general, the Order has received highly favorable reaction from the public. Good examples of how the Order has been received can be seen in the ~~attached~~ articles.

Next Steps

We will continue to give this effort the highest priority as we work to approve final agency plans by the end of September. However, your continued personal support and encouragement will be needed to reinforce the importance of the Order. As noted, several departments and agencies are taking important and interesting actions to carry out both the spirit and the letter of the Order. I recommend that you note agency progress and highlight specific actions of selected agencies at the next Cabinet meeting. I would be happy to provide appropriate talking points. We will also keep you informed in the future of particular successes (or failures) that might be brought to the Cabinet's attention.



ID 784436

THE WHITE HOUSE

WASHINGTON

DATE: 24 AUG 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

JIM FALLOWS

DICK PETTIGREW

BOB LIPSHUTZ

CHARLIE SCHULTZE

INFO ONLY: VICE PRESIDENT

JERRY RAFSHOON

SUBJECT: MCINTYRE MEMO RE EXECUTIVE ORDER 12044 - IMPROVING
GOVERNMENT REGULATIONS (STATUS REPORT)

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM FRIDAY 01 SEP 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 784436

THE WHITE HOUSE

WASHINGTON

DATE: 24 AUG 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

JIM FALLOWS

DICK PETTIGREW

BOB LIPSHUTZ

INFO ONLY: VICE PRESIDENT

JERRY RAFSHOON

SUBJECT: MCINTYRE MEMO RE EXECUTIVE ORDER 12044 -- IMPROVING
GOVERNMENT REGULATIONS (STATUS REPORT)

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1200 PM TUESDAY 29 AUG 78

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

[Handwritten signature]

OSHA Backpedals on Its Plan To Banish 'Nitpicking' Rules

By Loretta Tofani

Washington Post Staff Writer

The Occupational Safety and Health Administration has found it's easier to ignore regulations than get rid of them, and even President Carter is confused.

Last December, OSHA announced an ambitious plan to take 1,100 "nitpicking and obsolete" regulations off the books, such as one specifying how high off the floor fire extinguishers had to be hung.

During a political swing in Texas in June, Carter, attacking excessive federal regulation, pointed to the OSHA action with pride. "In one day last year, 1,100 different regulations were wiped off the books," he told a crowd in Beaumont.

But National Journal, the weekly on politics and government, reports in its latest issue that the regulations are still on the books.

"Some unions told us these regulations were important protections," a safety spokesman said. "They felt their situations in factories might be worse without them."

A safety spokesman said the organization still intends to get rid of the regulations, but probably not all 1,100 originally intended for excision. He would not say when the regulations

would be deleted, only that the project is a "top priority."

He said officials must examine comments from labor unions and industry before deciding which regulations can go. In the meantime, inspectors will not enforce most of the 1,100 regulations. "The employer won't be cited," the spokesman said. "He won't be fined or get a written notice. It'll just be pointed out to him that he violated the standard."

The rules that were to be banished were obsolete, designed to protect personal property, duplicated the regulations of other federal agencies, or were meant only to promote comfort and convenience.

Labor Secretary Ray Marshall announced the agency's intention to take the regulations off the books at a December press conference.

"In working with [OSHA administrator] Eula Binham and her staff on removing these 1,100 nitpicking provisions," Marshall had said, "I discovered that the system makes it much easier for the government to promulgate new regulations than to get rid of outmoded or ineffective ones. Things are not impossible, however. Our efforts today indicate that with enough determination and creativity it is possible to beat the system."

WASH. POST

SAT. 8/12/78

From the National Journal, a weekly magazine that takes an uncommon interest in how our government actually works, we get the following dispatch from the health and safety wars. The idea has been circulating lately that the Occupational Safety and Health Administration, in its drive to become less of a pain in the neck to the citizenry, has already repealed some 1100 of its most nitpicking regulations. President Carter lent credence to the idea when he said of OSHA recently that "in one day last year, 1100 different regulations were wiped off the books." But you will not be surprised to hear that the truth of the matter is a little more complicated.

It was over eight months ago that Labor Secretary Ray Marshall held a press conference to announce that he planned to get rid of the offending regulations. At the time, he remarked that "the system makes it much easier for the government to promulgate new regulations than to get rid of outmoded or ineffective ones." Nevertheless OSHA began the deletion process. It started with the kind of rules—duplications, obsolete standards and such—that you'd think would be easiest to junk. It sent out a program directive to the field ordering inspectors to stop giving penalties for most violations of rules slated for destruction.

But to comply with the law it also had to publish its proposals in the Federal Register and allow comment. It got lots. In fact when time came for the comment period to close at the beginning of March, OSHA extended it for another two months. Now the agency is busy analyzing the comments. Objections may save a couple hundred of the endangered regulations, and the final version of the project seems due for publication in the Federal Register around mid-September. Along the way OSHA got wind of still other regulations that might safely be scrapped, and it's now deciding whether to crank up the whole process again for these new candidates.

So OSHA is going to have to keep plugging away, and we'll all be lucky to see a part of the 1100 rules wiped out within a year of Secretary Marshall's announcement. Which suggests the following things: First, that Mr. Carter and his administration deserve some congratulations for taking the problem seriously and persisting through all the complications that the rule-unmaking has produced. And second, if anyone had doubted it, government should be required to approach the adoption of new rules with at least the solemnity that attends a marriage, since a rule once adopted is so excruciatingly painful and difficult to get rid of.

The exception voted entirely. What are the Minneapolis about? Here's how it:

"In an everyday, rational expectations is a notion about people's behavior. It claims that people make decisions in a way that take into account all available information significantly on the future of their decisions. And the information in a way so that their past mistakes.

"The information we can include, among other things, edge about government policy already taken and about approaches government policy will take when economic change. So, rational expectations to people a reasonably the view approach to appraising matters that are going to make a difference to the

Stated that way the concept seems astonishing. Yet consistent with standard economic theory.

Suppose the economy is weak. The Federal Reserve seeks to stimulate by pumping more money into the system. Prices rise, but workers go on largely unchanged wages. So they see increased profit opportunities and expand, hiring more workers.

That's the conventional scenario. Rational expectationists say that workers are too perceptive to swallow it; the workers quickly begin demanding higher wages to offset prospective price increases.

So what can a policy maker do? Minneapolis Fed suggests that the Reserve might announce, and stick to, a policy of bringing the inflation rate to a specified low level by gradually reducing the growth rate of the money supply. The bank concedes that this would require a period of adjustment, but Mr. Willes thinks it offers the best chance of avoiding a severe recession in the not distant future.

As a voting member of the Federal Open Market Committee, it should be noted, Mr. Willes has been trying, with more than full success, to sway the Fed's policy-making body to his view.

The Minneapolis bank got into rational expectations by accident. For years the bank has been bringing in advisers from the University of Minnesota. In 1970 and 1971, respectively, Neil Wallace and Thomas Sargent joined the research department. Before long they became, with Robert Lucas of the University of Chicago, the leading exponents of the theory.

The theory is still controversial. Here in Minneapolis, there still are some people who say the same thing about the bank's architecture.

Pepper... and Salt

THE WALL STREET JOURNAL

Church Cue
Perfect poise
Is achieved by few.
It's not being self-conscious
In the front pew.

—Ruth M. Walsh.

Cut the Encouragement

The eager new clerk was taken aside and chided by the manager of his department. "Hang it all, Lawrence," the manager said, "stop telling the customers they're always right. They're insufferable enough as it is!"

—Edward Stevenson.

Daffynition

Gossip columnists: the spies of life.

—Doris Dolphin.



"I can't get rid of the feeling they're going to trade me."

ID 784436

THE WHITE HOUSE
WASHINGTON

DATE: 24 AUG 78

FOR ACTION: STU EIZENSTAT

JIM FALLOWS

BOB LIPSHUTZ

INFO ONLY: VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

DICK PETTIGREW

CHARLIE SCHULTZE

JERRY RAFSHOON

SUBJECT: MCINTYRE MEMO RE EXECUTIVE ORDER 12044 - IMPROVING
GOVERNMENT REGULATIONS (STATUS REPORT)

Jon -
Rafshoon
wants to
add a few
lines on
the transcendent
importance
of all this

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM FRIDAY 01 SEP 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Redraft attached. Jim Fallows - 8/31/78

Becky - please be sure to send
this back to us. Thanks!
Jerry says it's ok



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

18 AUG 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. MCINTYRE *Jim*
SUBJECT: Executive Order 12044

This memorandum provides a status report on our progress in implementing Executive Order 12044, Improving Government Regulations.

Background

After you signed the Order on March 23, agencies were given 60 days to develop implementation plans. These plans were published in the Federal Register during the weeks of May 22-June 2. The public was given 60 days to comment. By September 15, agencies are to revise their plans, taking public comments into account, and submit them for OMB approval.

In addition, you asked the Chairmen of 18 independent regulatory agencies to voluntarily adopt similar procedures within their own agencies. You asked them to report progress to you and to the Congress by June 30, 1978.

Current Status

Forty departments and agencies have published their plans for complying with the Order in the Federal Register. Twenty-six other agencies have written OMB asking to be exempt from the Order. A list of these agencies and their reasons for seeking exemption were published for public comment. We will, of course, consider all comments received before approving any exemptions.

Of the independent agencies, fifteen have reported on their progress. The CAB and ICC seem to have taken the Order most seriously. A draft letter of acknowledgment is attached. Jim Fallows has edited the draft letter.

Highlights of Agency Actions

At the signing ceremony, you indicated that the Order outlined minimum requirements and encouraged agencies to go further in developing their own internal procedures. Several have responded to your challenge:

- HEW will assure the earliest possible public awareness of upcoming regulations by publishing a "notice of intent to regulate" for all agency regulations, not just significant ones.
- Agriculture will expand the regulatory analysis requirements of the Order by requiring an "impact analysis" of not only the economic effects of regulations but of the social effects as well. This should allow one analysis to satisfy requirements for thorough consideration of economic, environmental and other effects of USDA regulations.
- HUD will require an assessment of the effects of new regulations on the department's budget and personnel ceiling in addition to considering the effects on the private sector.
- The Department of Labor and Transportation have formed high-level internal review panels to review proposed regulations, to make recommendations to the Secretary and to coordinate the review of existing regulations.
- The Department of Energy and EPA have held public hearings on their plans for complying with the Order.
- EPA will initiate a "sunset" review for all new paper-work requirements imposed by their regulations.
- The Office of Federal Register is asking for public comment on how to improve the Register to make it an easier document for the public to use.
- Three agencies--HEW, DOT, and EPA--have already published regulatory agendas which give the public early notice of regulations under development or review.

In addition, several interest groups including the Business Roundtable have highlighted the Order to their members and have encouraged them to take advantage of the Order's new

opportunities for public participation. One group, the Transportation Association of America (TAA) held a special seminar on the Order to help their members understand the effect the Order would have on the transportation industry. In general, the Order has received highly favorable reaction from the public. Good examples of how the Order has been received can be seen in the attached articles.

Next Steps

We will continue to give this effort the highest priority as we work to approve final agency plans by the end of September. However, your continued personal support and encouragement will be needed to reinforce the importance of the Order. As noted, several departments and agencies are taking important and interesting actions to carry out both the spirit and the letter of the Order. I recommend that you note agency progress and highlight specific actions of selected agencies at the next Cabinet meeting. I would be happy to provide appropriate talking points. We will also keep you informed in the future of particular successes (or failures) that might be brought to the Cabinet's attention.

Attachments

THE WHITE HOUSE
WASHINGTON

DRAFT

Dear Mr. Chairman:

Thank you for your letter of _____ regarding the Commission's (Board's) voluntary efforts to achieve the goals of Executive Order 12044, Improving Government Regulations.

The actions outlined in your letter represent a good beginning toward making regulations clearer and more effective and giving the public a greater opportunity to participate in the regulatory process.

To assist you in your efforts, I have asked Jim McIntyre to provide more detailed comments on your proposals for improving regulatory procedures. While efforts to date have been promising, there is still much to be done.

As you know, I consider regulatory reform to be one of the highest priorities for Federal policymakers. I look forward to working with you and the Congress to make regulations more effective and less burdensome for the public.

Sincerely,

THE WHITE HOUSE
WASHINGTON

OMB is only asking
for sign-off on
letter = 15 letters
will be sent.

THE WHITE HOUSE
WASHINGTON

Also -- Wayne Grandquist (x3423) says that he would like you to put a cover memo on the OMB memo saying that this memo predated the President's request of 9/5 and additional info will be supplied in their weekly report. If you have any trouble with this, call him.

ID 784436

THE WHITE HOUSE

WASHINGTON

DATE: 24 AUG 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

JIM FALLOWS

DICK PETTIGREW

BOB LIPSHUTZ

INFO ONLY: VICE PRESIDENT

JERRY RAFSHOON

SUBJECT: MCINTYRE MEMO RE EXECUTIVE ORDER 12044 - IMPROVING
GOVERNMENT REGULATIONS (STATUS REPORT)

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM TUESDAY 29 AUG 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

As the status report indicates, the Executive Order has effectively churned up the waters in the agencies. I remain concerned, however, that OMB carefully scrutinize the agency "success" claims that are certain to be advanced in the months ahead, and crack the whip when sluggish agencies are identified. I do not believe adequate staff capacity currently exists in OMB for it to effectively play this role. As the two articles attached indicate, the Administration will be vulnerable if our PR in this area isn't matched by solid achievement.

8/28/78

RAP

ID 784436

THE WHITE HOUSE
WASHINGTON

DATE: 24 AUG 78

FOR ACTION: STU EIZENSTAT

JIM FALLOWS

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

DICK PETTIGREW

JERRY RAFSHOON

INFO ONLY: VICE PRESIDENT

SUBJECT: MCINTYRE MEMO RE EXECUTIVE ORDER 12044 - IMPROVING
GOVERNMENT REGULATIONS (STATUS REPORT)

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+ BY: 1200 PM TUESDAY 29 AUG 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

The Nation

Doublespeaking

Telling it like it isn't

Out of the mouths of bureaucrats, language is too often used to obfuscate rather than communicate. But not with impunity. For the past six years, the National Council of Teachers of English Committee on Public Doublespeak has presented a "dishonorable mention" to a particularly offensive official utterance. Last week the committee singled out the Pentagon for terming the neutron bomb, which kills every living creature within its reach but leaves physical structures unharmed, "a radiation enhancement weapon." The Defense Department did not

send a representative to accept the award, but it did designate Army Colonel Jack Munsey as "doublespeak person" to respond to numerous inquiries. Said he: "The particular term accurately describes that weapon. What can I say except I'm sorry they don't like it? And I'm not sure I'm even that sorry."

Runners-up in the council's doublespeak competition:

► White House Press Secretary Jody Powell, for stonewalling on questions about the CIA's covert payments to Jordan's King Hussein with the statement, "By definition, any comment would be a contradiction in terms since the operation in question would no longer be secret."

► The CIA itself, for conducting experiments in brainwashing and behavior con-

trol under the cover of an organization titled "the Society for Investigation of Human Ecology."

► Health, Education and Welfare Secretary Joseph Califano, who advertised for "an extremely confidential personal assistant . . . responsible for managing, performing and supervising work related to the operation of the Secretary's kitchen and eating area." As it happens, he was looking for a chef.

Teachers are capable of doublespeak too. During last week's award ceremony, a spokesman for the award committee was asked to define doublespeak. "It's an umbrella term," he replied after an awkward silence, "a high-level abstraction to describe pernicious use of language." At least he winced as he said it. ■

The Presidency/Hugh Sidey

Trying to Regulate the Regulators

"Regulations should be as simple and clear as possible. They should achieve legislative goals effectively and efficiently. They should not impose unnecessary burdens on the economy, on individuals, on public or private organizations, or on state and local governments."

That unusually straightforward passage of governmental prose, printed in the *Federal Register* a few days ago, is a declaration of intent by Jimmy Carter. It is the preamble to a presidential order he hopes to issue before the end of the year. For those who dwell in the world of red tape, which is most of America, the words shone like diamonds in a mountain of slag. The wisdom rivaled that of Solomon.

Georgia's Charles Henson, had he read this, would have wept. For 28 years he manufactured Red Fox deans. Then one day came a ruling from the Federal Trade Commission: since his deans did not have any red fox fur in them, he could no longer use the name. Think of the joy Carter's sensible proclamation would have brought to the parsimonious New Hampshireite who had to spend \$26.23 in postage to mail the bulky forms for a license renewal for his small radio station. Pity the distress the Carter doctrine will cause the Occupational Safety and Health Administration bureaucrat who propounded the 39-word, single-sentence definition of EXIT: "That portion of a means of egress which is separated from all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge."

And, surely, had the folks at the Bureau of Land Management known about the new dictum, they never would have issued 195 pages of requirements, including 23 fold-out diagrams, for fire equipment to be purchased for two bureau pickup trucks. The low bid was \$31,000, an estimated \$8,000 for the equipment and the rest for processing the regulations.

Carter's campaign to force Government rulemakers to think before they promulgate may not be the moral equivalent of war, but if he wins a few skirmishes he will be blessed from Bangor to Chula Vista.

Fred J. Emery, director of the *Federal Register*, looks over his desk each day at a 15-ft. shelf containing 73,000 pages of the *Code of Federal Regulation*. There are millions of entries, new rules for life in these United States. It grows as much as 5,000 pages a year. Emery has started a school for the rule writers. He is trying to make the language at least understandable. He illustrates the problem with a parable: "It is like the two fellows in the hot air balloon who get lost in a cloud and, emerging, call down to a man on the ground, 'Where are we?' The fellow calls back, 'In a hot air balloon.' The answer, like a lot of regulations, is absolutely accurate but totally useless."

Wayne Granquist and Stanley Morris at the Office of Management and Budget are guiding Carter's campaign. They drafted the presidential proclamation. In a few weeks they will present Carter with a final draft of an Executive order to all federal agencies and departments.

The next task will be to pump the order through the governmental circulatory system. Part of the problem is that the proliferation of rules often takes place in the depths of the bureaucracy, not at the top. A program chief hears a complaint and summons a committee, which calls in lawyers. New regulations are drafted, then sent to a boss who approves them. The regulations are printed; sent to the field; and one morning a federal authority is insisting—to take actual cases—that ice cannot be added to drinking water, chickens cannot be processed in rooms with tile floors, fire extinguishers are to be lowered 6 in., and cowboys must work within 5 min. ride of a toilet. The reasons for, and meanings of, the regulations have been lost somewhere between Washington and Pocatello.

At the very heart of the issue is the attitude of the thousands of people who concoct and enforce the Government rules. The best of the bureaucratic breed talk sincerely of transforming regulators from cops who are out to punish offenders to public servants who help citizens solve their problems. After all, it was partly a rejection of oppressive, expensive regulation by far-off authorities that led to the creation of this country 201 years ago.



War in the Bureaucratic Trenches

By ALAN L. OTTEN

WASHINGTON—Considerable attention has already been given the Carter administration's campaign to simplify government prose: to have regulations, letters and other communications written in understandable English rather than legalistic gobbledegook.

Less note has been taken of another effort that in the long run could be more significant: to overhaul the entire process for issuing government regulations in the first place. A proposed White House order would give the public a greater voice in shaping those rules, and would force top agency officials to pay closer attention to, and make some tough choices about, the proposals bubbling up from the depths of their bailiwicks.

If the drive succeeds—and even deeply-committed officials concede it will be a tough, slogging battle—the result probably won't be fewer regulations than now but certainly fewer than there might otherwise have been. And the regulations will be less complex, less in conflict with each other, perhaps less subject to frequent and erratic change.

"This is more like trench warfare than Patton racing across France," says Stanley Morris, the Office of Management and Budget official riding herd on the entire effort. "Our progress will be measured in inches. But I think there'll be progress, because this is a President who very badly wants there to be progress."

As Congress grinds out broad new programs, federal departments and agencies must spell out exactly who's affected and how: which businesses must do what, how local governments or universities or hospitals become eligible for grants and loans, just what pensions or loans or other benefits are available to just which ordinary citizens. As the volume and complexity of government regulations have swelled, so have the horror stories and public criticism.

Getting There

President Carter has been agitating to roll back the paperwork flood ever since taking office, and OMB asserts that in the past year there's been a substantial reduction in the number and intricacy of federal applications, reports and other forms. But the new administration campaign would go much farther.

On Nov. 18, the White House published a proposed Executive Order on "improving government regulations"—the first time an Executive Order had ever been issued in tentative form, with public comment invited before the order became final.

"Regulations should be as simple and clear as possible," it said. "They should

Politics and People

achieve legislative goals effectively and efficiently. They should not impose unnecessary burdens on the economy, on individuals, on public and private organizations or on state and local governments."

To attain those lovely goals, the proposed order said every federal agency must publish twice a year, in the Federal Register in January and July, an agenda describing as completely as possible the areas in which it is considering significant new regulations. The agenda must be approved in advance by the agency head, and must include the name and phone number of a "knowledgeable agency official" to handle public questions and comments.

Then, before any specific regulation is issued, the agency must prepare a detailed analysis stating the regulatory problem, alternative ways of solving it and the economic impact of each, the possible conflict with regulations of other agencies and the reasons why the favored approach is "the most effective and least burdensome" solution. There must be ample opportunity for public comment on the proposed regulation, and before it is made final, the agency head must review and okay it.

In addition, while the agency is carrying out this process for new regulations, it would have to set up a similar process for systematically weeding out and simplifying all its existing regulations.

Predictably, public reaction has been enthusiastic. Over 400 businessmen, state and local officials, hospital administrators and other men and women wrote in applauding the move. "I hope that not only is it ordered, but that the intended effect comes to pass," observed R. L. Marcotte, a consulting engineer from Penfield, N.Y. "It would be one step in reducing the cost of doing business."

The favorable reaction wasn't quite unanimous, however. Thirteen Senators, a formidable bipartisan array of committee chairmen and ranking minority members, harumphed that the independent regulatory commissions—such agencies as the ICC and FTC and FCC, which many firms consider the chief governmental villains—were creatures of Congress, and the President would kindly keep his cotton-picking hands off them.

And many federal departments, while understandably hesitant about bucking the boss, displayed their lack of enthusiasm

for the whole idea with warnings about more paperwork and new delays that might make matters worse rather than better.

A final Executive Order will probably be issued later this month. Almost certainly, in deference to the massed congressional opposition, it will exempt the independent commissions. Other major provisions, though, will be generally along the lines of the Nov. 18 proposal. Then the fur will start to see how well the directive is carried out by the bureaucracy.

Public participation in the early stages—not just by big trade associations or influential public interest groups but by private citizens too—is an important part of the new system. The critical element, however, from OMB's point of view, is the regulatory agenda. For this, it hopes, will force top officials to focus their personal attention on problems raised by new regulations.

How It Works Now

"Practically every regulation," says Mr. Morris, "is written by some committee down in the bowels of the bureaucracy. In the past, the top officials have rarely looked at a proposed regulation over to decide whether it was needed and made sense, whether it conflicted with other regulations, whether there was a better way of getting the same objective. The top people are busy trying to get their budget okayed by the White House or trying to get their legislation through Congress or worrying about the issues that the press says are the hot ones in their agency. So regulations seldom have gotten top-level attention until after they were in effect and everyone started complaining."

What the agenda should do, he argues, "is make the agency head worry about his regulations just as much as he worries now about his budget or legislative program."

As for the chances of success, Mr. Morris is guardedly optimistic. He certainly doesn't underestimate the likely opposition or foot-dragging within the bureaucracy. "What we're trying to do," he observes, "is to change the basic behavior of agencies, and that inevitably happens very slowly."

But, he also notes, "the bureaucracy does, sooner or later, respond to consistent signals from the top. If the President keeps plugging it at Cabinet meetings, then the agency heads are going to pay attention. And if they start asking questions at staff meetings, perhaps embarrassing one or two people who haven't done a good job, putting in people who agree with all this and want to make it work—then the word will filter down and attitudes will change down below."

IMMEDIATE
PRECEDENCE

UNCLAS
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: FRANK MOORE

TO: SUSAN CLOUGH FOR THE
FIRST LADY

INFO: (CAMP)

RELEASED BY:

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SPECIAL INSTRUCTIONS:

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WHITE HOUSE

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 11, 1978

MEMORANDUM TO: FRANK MOORE
FROM: LES FRANCIS *les*
SUBJECT: Calls on Veterans Preference

Although the House of Representatives will take up our Civil Service Reform Bill when it convenes today at Noon, the vote on modifying veterans preference provisions will not occur for at least one hour.

We are constantly updating our veterans preference vote count, and our latest figures show that we are in for a very close fight.

	<u>Yes and Leaning Yes</u>	<u>Undecided</u>	<u>No and Leaning No</u>
Democrats	150	42	94
Republicans	29	31	86
TOTALS	179	73	180

The trend is not encouraging . . . Friday afternoon we were up by 13, now we are down by one. Of course, the impact of calls and letters over the weekend has not yet been measured.

However, a last minute high-level push is needed. On Friday, you indicated that the President said that the First Lady would make calls. If you wish to have her do so, I suggest the following House Members as possible recipients of those calls:

1. Ed Roybal (Democrat/California)

Currently leaning against. Should be appealed to on the basis of opening up the system to women and minorities. The G.I. Forum, a Mexican-American veterans group, supports our position.

2. Jack Brinkley (Democrat/Georgia)

3. Doug Barnard (Democrat/Georgia)

4. Bo Ginn (Democrat/Georgia)

5. Dawson Mathis (Democrat/Georgia)

Barnard indicates he is "Undecided", while the others are against or leaning against.

6. Lindy Boggs (Democrat/Louisiana)

Mrs. Boggs is with us, but should be asked to work on her colleagues, especially Breaux and Huckaby.

7. Charlie Rose (Democrat/North Carolina)

Rose is listed as "Leaning No"; if brought around, he could be very helpful with others in the delegation.

8. Marilyn Lloyd (Democrat/Tennessee)

Is listed as a firm "No", but should be asked nevertheless. Again, access to the system for women should be the point made.

Talking points are attached.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 11, 1978

MEMORANDUM FOR: LES FRANCIS
FROM: SI LAZARUS 5,
SUBJECT: Talking points on veterans preference

1. We hope you will vote for David Bonior's amendment to the veterans preference section (Title III) of the civil service reform bill today, and then vote for the Committee's veterans preference provisions (as modified by the Bonior amendment). Congresswoman Schroeder was the sponsor in the Committee of this section and will be a principal speaker in the floor debate.
2. The effect of the Schroeder-Bonior provisions is to strengthen the advantages conferred by veterans preference law on Vietnam Era veterans and disabled veterans, while reducing advantages for older, able-bodied veterans.
3. We believe that older, able-bodied veterans should not have a hand-up in competition with other Americans, including women and minorities, for civil service jobs.
4. We ought to remove unnecessary and unjustified restrictions which keep Federal managers from choosing the best qualified people. ~~for~~